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February 14, 1995

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**FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY**

Mr. William F. Caton, Acting Secretary
Federal Communications Commission
Room 222
1919 M Street, NW
Washington, DC 20554

Re: *Ex Parte* Presentation
MM Docket No. 87-268

Dear Mr. Caton:

On February 13, 1995, members of the HDTV Grand Alliance met with Chairman Hundt, and John Nakahata, Saul Shapiro, and Mark Corbett of the Commission staff. Jerry Pearlman of Zenith Electronics, Jim Carnes of Sarnoff, Bob Rast of General Instrument, Ron Marsiglio of Philips Consumer Electronics, Bruce Allan of Thomson Consumer Electronics, Jae Lim of MIT and I participated in the meeting, giving a status report on the development of our prototype HDTV system and discussing flexible use of the HDTV conversion channel. Copies of the charts used in our discussion are attached.

Due to the lateness of the hour of the meeting, two copies of this Notice are being submitted to the Secretary of the FCC on the next business day, in accordance with Section 1.1206(a)(2) of the Commission's Rules.

Sincerely,

Robert Graves
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Attachment

cc: Chairman Hundt
M. Corbett
J. Nakahata
S. Shapiro

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

HDTV GRAND ALLIANCE

- AT&T
- General Instrument
- MIT
- Philips
- Sarnoff
- Thomson
- Zenith

AGENDA

- Status report re prototype
- Flexible use: HDTV as the centerpiece

GRAND ALLIANCE HDTV PROTOTYPE STATUS

- System assembled and operational
 - At Sarnoff, our system integration site
 - All elements--video, audio, transport, transmission
- Finalizing for lab testing
 - Video debugging, optimization
 - Verifying overall performance
- Outlook: Ship to Advanced Television Test Center 3/31
 - High confidence in transmission, transport and audio (ATTC bakeoff, Charlotte field test, ATTC interface checks)
 - Increased confidence in video

FLEXIBLE USE OF THE HDTV CHANNEL

Why must HDTV remain the centerpiece?

- Mere "HDTV capability" won't trigger industry investments in HD studio equipment, receivers.
- HD is necessary to keep free over-the-air broadcasting competitive.
- HD will set a high technical ceiling on use of the channel.
- HD will improve the NII--only HDTV brings 2M pixel display, emphasizes progressive scan, square pixels. Entertainment will help pay the way.
- Only HD requires, warrants giving full 6 MHz to existing broadcasters.
- Quantum improvements will spur consumer investments--Japanese wide-screen example.
- HD will promote jobs, economic development, international competitiveness.
- Early requirements for HD broadcasting will solve chicken/egg dilemma, give U.S. world leadership.
- Industry needs consistent government direction.

WHAT SHOULD THE FCC DO?

- Best approach: require minimum HDTV use.
 - All prime time hours, or substantial daily use for HD
 - Wide flexibility beyond this requirement
- Second best approach: offer incentives.
 - Broadcasters/Entrants committed to HD go to the head of the line.
 - Broadcasters/Entrants only committed to SD share a 19 Mbps bit stream (6 MHz channel).
- Ensure that free spectrum has free, over-the-air TV as its primary use.
- Adopt HDTV transmission standard ASAP.
Endorse rapid industry follow-on standardization activities for other uses of the digital data delivery capability.

SUMMARY

The Commission should:

- Continue its efforts to establish an HDTV transmission standard as expeditiously as possible.
- Adopt implementation policies that promote great flexibility for broadcasters while ensuring HDTV remains the centerpiece application for the second channel.